

ADDRESS BY J. STROM THURMOND, GOVERNOR OF
SOUTH CAROLINA, AT SOUTHERN ASSOCIATION OF
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It is an unusual pleasure to me to welcome, on behalf of the people of South Carolina, the delegates to the annual meeting of the Southern Association of Science and Industry. We are honored that you have chosen the fine old City of Charleston for this occasion, and we sincerely hope that your stay will be pleasant and profitable.

I think it is particularly appropriate that your Association is meeting in South Carolina this year. Without being too boastful, I believe we may say with justification that no other Southern State is making greater strides today in economic and industrial progress than South Carolina. I believe we may safely say, also, that no section of the nation is making greater economic progress than the Southern states.

The truth is that the South is leading the nation in the march of progress. In the fields of agriculture and industry -- the twin foundation stones of our economy -- the states from Maryland to Texas are gaining more rapidly than any other section of the country.

To make these achievements, the South has struggled upward against almost insurmountable obstacles. For many years after the War Between the States, our people were crushed and poverty-stricken.

Their wealth and their economy had been wiped out by a tragic war, from which they sought to recover without the benefit of a Marshall Plan. In their effort to achieve prosperity, two major obstacles stood in their way -- one-sided tariff restrictions and discriminatory freight rates. The effect of these handicaps was to keep the South in a colonial status, producing raw materials at low cost and buying back finished products at high cost.

Despite these obstacles, the South has pulled itself up by its own bootstraps. The courage, energy, and ability of our people, combined with our overwhelming natural advantages, have brought us close to the day when a balance of agriculture and industry will make the southern states the envy of the world.

We may find a new source of confidence in the future from the fact that the South is winning its battle for equalization of freight rates. For many years we have struggled under a 39% handicap in competing with northern and eastern shippers, because of discriminatory freight rates. Removal of this barrier has been a primary objective of the Southern Governors' Conference through its Freight Rate Committee, of which I served as Chairman for the past two years. A short while ago, it was my pleasure to announce that the last major obstacle to freight rate equality had been removed. This was the decision of the Interstate Commerce Commission refusing to permit Western railroads to reopen the entire question of a reclassification of rates, and thus to delay progress still further. I am gratified to

say that the road to equal rates is now open, and as Chairman of the Southern Governors' Conference this year, I shall continue the fight until complete equalization is a reality.

The accelerated upward trend in the business life of the South during the past decade has been little short of phenomenal. In almost every field of endeavor, the South has set the pace for the nation during the years from 1939 through 1949. A few of the latest figures graphically tell the story of progress made by the 15 states in the Southern Governors' Conference.

During the past decade, these 15 states enjoyed an increase of approximately 100 billions of dollars in total business volume. This was an increase of 350%, compared with an increase of 300% in the other states of the nation.

During the same period, sales of utilities, always a good business barometer, increased by 400%, compared with an increase for the other states of 300%.

The most impressive increase of the decade, however, is to be found in manufacturing. The Southern states increased their sales of manufactured products by almost 28 billion dollars, showing a 500% increase compared with a 350% increase in the other states of the nation.

The trend has been accelerated during the past half of the decade. In five years, the number of business establishments

increased from 276,300 to 398,200. In 1949, a total of 48,000 new businesses moved into Dixie, a percentage gain of 19%, according to the Department of Commerce. During this period the South's industrial growth was 44%, compared with a national average of 30%.

Our own State of South Carolina has recently reached a position near the top in industrial gains. The most recent survey showed that South Carolina ranks second among all states in the increase realized from value added by manufacture. South Carolina registered a gain of 370%, compared with a national average of 204%. It is interesting to note that all the states in the Southern Governors' Conference except three registered higher gains than the national average.

Revolutionary changes are taking place in the agricultural and rural life of the South. Farmers are gaining ground in their battle to conserve and improve their soils. They are increasing their yields per acre, and improving the quality of their crops. Cotton, tobacco, and truck crop systems of farming are being balanced with increased numbers of livestock. The quality of that livestock and the production of meat, milk, and eggs are rising steadily. Marked progress is being made in controlling crops and livestock insects, diseases, and parasites.

Efficiency in production is being advanced through mechanization and other labor-saving practices. The one-man-one-mule farmer is fast

being replaced by the farmer who operates modern, efficient farm machinery and equipment, and thereby increases his ability to produce and raises the standard of living of his family.

Rural electric lines are reaching more farms every year.

Farm homes and buildings are being improved for comfort, efficiency, and general appearance. Farmers are giving greater attention to producing more food and feed for better farm living.

The progress of mechanization on southern farms is shown by the fact that the number of horses and mules in 13 southern states decreased by over 3 million between 1920 and 1945. At the same time, the number of tractors on farms increased from 34,163 in 1920 to 443,029 in 1945, or 1,197 per cent. Other up-to-date farm machinery and equipment on southern farms have made similar increases.

The acreage devoted to cotton in the South has been cut almost in half, without decreasing the total production of cotton in bales. In 1929, southern farmers planted about forty-three and a quarter million acres of cotton and produced a little over fourteen and three quarters million bales. In 1948, they planted only about half as much acreage and produced the same number of bales. Thus they reduced their acreage by 47%, yet they increased their yields, in spite of the boll weevil and other ills that beset the production of cotton.

The use of land is changing in the South. The land taken from cotton has been put into the production of food and feed crops,

pastures, and crops other than cotton.

As a consequence, a new "king" is arising on the southern scene, and his name is "livestock." In 1925, only 21% of farm income in the 13 southern states came from livestock, while in 1948, our farmers derived 37% of their income from livestock. In the past five years, new high records have been made in the production per animal of milk, eggs, meat, and other livestock products.

Many agricultural leaders believe that the South can find an important new source of wealth in livestock production. Our pastures are as good in January as they are in June, and we can sell fat cattle or milk direct from the grass in winter as in summer. Our livestock can harvest crops and pasture for themselves 12 months of the year, thereby saving labor, reducing the cost of production, and enriching the land.

The natural agricultural advantages of the South offer opportunities that promise a steadily growing income in the years to come. Plants, animals, soils, climate, and rainfall combine in favor of high production, with diversification to meet changing needs. Our agricultural economy includes the three major farm products of food, fat, and fiber, while most other areas have only one or two of these three. Our land, with good management, produces abundantly while it is being improved. Two crops can be produced on the same land in one year. Forest trees, which offer a new opportunity as a cash crop, grow much faster

in the South than they do in most of the United States.

These advantages are being reflected in tremendous gains in our farm income. A recent survey by the Department of Commerce showed that farmers of the Southeast received an average of almost 300 per cent more cash for their products in 1948 than they did several years ago. These gains mean a better standard of living for every southern farmer.

The southern states have enjoyed even greater gains in the establishment of new industries. Here in South Carolina during the year just ended, we have witnessed remarkable gains in industry. More than \$333,000,000 in new industry either began operation, started construction, or was announced for construction, in South Carolina during the past 3 years alone. More important, 38,000 new jobs were created, along with more than \$90,000,000 in new payrolls. It is easy to imagine what this means to the economic position of our people.

One of the principal reasons for the shift of industry to the South is the trend among manufacturers to decentralize their operations. This trend was started as an emergency measure during the war, and it has continued without interruption since then. The ever-present danger of atomic warfare makes it advisable to build new plants away from the heavily populated centers.

There are other reasons, equally good, which are causing industry to turn southward.

We have a mild, healthful climate which makes for better working efficiency, and which greatly reduces the problem of heating in winter. We enjoy a good distribution of rainfall throughout the year, without a wet or a dry season to hamper operations.

We have a plentiful supply of native-born people, who need and want jobs. They are friendly and hard-working, and they are great producers. In fact, the president of one great textile concern has said that our people produce an average of 10% more goods than workers of other areas.

The tax structures of southern states are generally favorable to industry, and state governments are, as a rule, hospitable to industrial development.

We have an abundant supply of raw materials, such as cotton, forest woods, kaolin and other clays, sand, minerals and other natural resources upon which industry must depend for its existence.

Costs of operation are generally cheaper in the South. Plant sites are available at low cost, construction is cheaper, and power and water cost less.

Finally, the South offers the nation's most promising market. As the income of our people rises, a vast untapped market for goods will be made available, and business and industry want to be as close to that market as possible.

Because of all these advantages, the South may expect its in-

dustrial growth to continue with little change over the next few years. A nation-wide survey published last year showed that industry has completed plans to spend 41 billion dollars for expansion during the four years from 1950 to 1954. During the next 12 years, industry plans to increase its total capacity by 50%. The South's share of this expansion will continue to be a greater one, according to the survey. During the 12-year period, the South may reasonably expect to increase its industrial potential by 100%.

Changing agricultural conditions in the South fit remarkably well into this picture of industrial growth. The progress of mechanization on the farm is releasing hundreds of thousands of people into other kinds of work. The population on farms in the 13 southern states decreased by nearly 4,500,000 from 1920 to 1945, a decrease of 28%. Since the total population of these states remained about the same, it is evident that these 4,500,000 people found jobs in industry or business. The trend is continuing, and it is estimated that two out of three persons now being born on our farms will have to find employment outside the farm.

One of the most significant factors to consider is that many of our farm people may continue to live on the farm while they earn wages in a nearby industry. With good roads and good cars, a man may drive 15 to 20 miles to work every day, while he continues to enjoy

the healthy life to be found on the farm. An eight-hour working day will still leave him time to milk a cow or two, raise some pigs, and tend a vegetable garden. Meanwhile, good wages will enable him to improve the appearance of his home and give his children the advantage of wholesome surroundings. The rapid spread of rural electrification means that he can enjoy all the comforts and benefits of modern appliances, and save his wife much of the hard work of other days.

With some time left to listen to the radio, read his newspapers, and visit his neighbors, this man will become a more intelligent individual and a better citizen. He will be happier, healthier, and more confident of his ability to provide for himself.

Today, he can find work not far from home in a modern, attractive plant designed to help him enjoy his work and thereby increase his production and his income.

The same thing is true of thousands of small town residents who formerly were forced to leave home in order to make a living. As the South's industry expands, these people will be able to find jobs nearby while they continue to enjoy the healthy, normal existence of the small town.

These factors are of tremendous importance, not only in the re-building of the South's economy, but in their effect on the kind of government our states will have in the future.

For years we have recognized that the South's difficulties are

basically economic. The fact that our states have remained for so long at the bottom of the list in educational advantages, for instance, has not been due to our unwillingness to provide them. It has been due entirely to our inability to provide the money for new schools, better paid teachers, and other needed services. Our people had existed on a subsistence level for so long that many needs could not be met.

As our average per capita income rises, this picture is changing. The man who has money in his pocket will see that his children are educated, that they have proper medical attention, and that they are properly trained in the means of making a living. Such a man will become a taxpayer, and thus help to enable his state government to provide the services that are essential to social betterment.

The southern states may, therefore, face the future with an ever-growing confidence in the ability of our people to provide the means for greater educational opportunities, better roads, increased services to the farmer and the laboring man, and for better care of the unfortunate. Our problems are still vast, but they need not dismay us. No people on earth may look forward to a more hopeful future. With new self-reliance and new confidence, the South is moving forward steadily and surely toward that desirable balance of agriculture and industry which will enable us to enjoy happier, healthier, and more productive lives.